

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF SOUTHERN MASON)
WATER DISTRICT OF ADJUSTMENT)
OF WATER RATES AND CHARGES) CASE NO. 8176
ON MAY 1, 1981)

O R D E R

IT IS ORDERED that Southern Mason Water District shall file an original and five copies of the following information with the Commission, with a copy to the Attorney General's Division of Consumer Intervention, by April 20, 1981:

(1) Transmission and Distribution-Operation Labor \$4,833. Please supply a detailed analysis of this account with special emphasis on the purpose of each expenditure within this account. As a subsidiary explanation, please submit all time distribution sheets of the employees that are associated with this cost.

(2) Maintenance of Distribution Reservoirs and Standpipes \$4,758. Please supply a xerox copy of all invoices concerning this account or, as an alternative, prepare a recap of all invoices giving the following information: date of invoice, vendor's name, description of item purchased and how it was used in the maintenance program.

	<u>Actual</u>	<u>Pro-forma</u>
(3) Meter Reading Labor and Billing	\$3,968	\$5,018
Administrative and General Salaries	3,968	5,018

Please supply the following information with respect to the above-mentioned salary amounts.

- a. Name of the employee and his or her functions with water district.
- b. Amount of salary paid to each employee for the test period as related to the above-mentioned actual and pro-forma amounts.
- c. Item no. two (2) of the explanation of pro-forma adjustments shows annual salary increases of \$2,100. Have these increases been approved by the Commissioners of the district? When will they go into effect?
- d. The system of accounts and the annual report form of this Commission require that "Meter Reading Labor" (901) and "Accounting and Collecting Labor" (902) - billings shall be shown in each appropriate account. Please supply this information.

(4) Miscellaneous General Expenses \$1,799. Supply a detailed analysis of the account providing such particulars as to whom paid, date of transaction and the purpose of the disbursement.

	<u>Actual</u>	<u>Pro-forma</u>
(5) Transportation Expense	\$1,213	\$1,718

- a. Please state the names of the employees receiving this mileage allowance.
 - b. The Commission staff has checked the utility's computation to annualize this expense item and differs with the requested amount on the Comparative Income Statement (See attached tape). Please comment.
- (6) a. For rate making purposes the Comparative Income Statement shows interest on Long-Term Debt in the amount

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1,213 ÷
12 =

101.0833333333

0.00 T

Transportation Expense

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0.00 C *

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7 =

173.28571428571

173.28571428571 X
12 =

2,079.4285714285

0.00 T

2,079 +

1,718 -
361.00 T

0.00 T

Please refer to question five (b)

of \$13,650. The 1980 Annual Report Form for your district, and Mr. Payton Ritchie's Audit Report shows \$14,271.19 or a difference of \$621.19. Please explain this difference.

b. Please give the factors in computing the Long-Term Debt cost.

c. Please reconcile the amounts shown in the 1980 Annual Report Form and the accountants' audit report with respect to the following accounts:

	<u>Annual Report</u>	<u>Audit</u>
Bonds	\$260,000	\$267,000
Interest Accrued	49,706	42,706

Done at Frankfort, Kentucky, this 9th day of April, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Voth
For the Commission

ATTEST:

Secretary